

## Message Text

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R 212328Z JUN 74

FM SECSTATE WASHDC

TO AMEMBASSY CANBERRA

AMEMBASSY VIENNA

AMEMBASSY BRUSSELS

AMEMBASSY OTTAWA

AMEMBASSY COPENHAGEN

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY OSLO

AMEMBASSY LISBON

AMEMBASSY STOCKHOLM

AMEMBASSY BERN

AMEMBASSY LONDON

USMISSION OECD PARIS

USMISSION EC BRUSSELS

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FOLLOWING REPEAT USUN 2211 ACTION SECSTATE INFO

MANILA 19 JUNE.

QUOTE

UNCLAS USUN 2211

MANILA--PLEASE PASS MR. ROBERT W.KITCHEN, JR.- UNDP DEL

E.O. 11652: N/A

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TAGS: EFIN, UN, ECOSOC

SUBJ: COMMITTEE OF 36 ON SPECIAL MEASURES

BELOW IS STATEMENT DELIVERED BY AMB CLARENCE CLYDE FERGUSON  
TO THE AD HOC COMMITTEE ON THE SPECIAL PROGRAMME, JUNE 19.

QTE: MR. CHAIRMAN,

AT THE ONSET OF MY REMARKS REGARDING THE SPECIAL PROGRAM,  
I SHOULD LIKE AGAIN TO REASSERT THAT MY GOVERNMENT VIEWS THE PLIGHT  
OF THE MOST SERIOUSLY AFFECTED COUNTRIES AS ONE MERITING EMERGENCY  
RESPONSES IN ALL SENSES OF THE WORD EMERGENCY. IN THIS LIGHT, IT  
IS OUR POSITION THAT ALL VIABLE CHANNELS FOR EMERGENCY ASSISTANCE  
SHOULD BE UTILIZED. WE OURSELVES WILL MAKE MAJOR EFFORTS TO  
PROVIDE EMERGENCY ASSISTANCE TO COUNTRIES AFFECTED, BOTH MULTI-  
LATERALLY AND BILATERALLY, BUT, IN WHAT WE ADJUDGE TO BE THE MOST  
APPROPRIATE FORM AND THE MOST APPROPRIATE CHANNEL.

MY DELEGATION NOTES WITH GREAT INTEREST THE REPORT OF DR.  
PREBISCH REGARDING THE EMERGENCY PROGRAM ENTRUSTED TO THE SECRETARY-  
GENERAL BY THE SPECIAL SESSION. WE ARE ACTIVELY CONSIDERING WHAT  
CONCRETE STEPS THE US SHOULD TAKE, BOTH BILATERALLY AND MULTI-  
LATERALLY TO BE RESPONSIVE TO THE SPECIAL EMERGENCY OPERATION. WE  
REGRET THAT WE ARE NOT AT THIS TIME IN A POSITION TO MAKE A  
SUBSTANTIVE RESPONSE TO THE SECRETARY-GENERAL'S APPEAL. WE ARE,  
HOWEVER, FIRMLY CONVINCED THAT THE SITUATION IN THE MOST SERIOUSLY  
AFFECTED COUNTRIES WARRANTS THE URGENT ATTENTION OF THE ENTIRE  
INTERNATIONAL COMMUNITY. WE ARE ALSO FIRMLY CONVINCED THAT  
MEASURES MUST BE TAKEN BY OIL EXPORTING COUNTRIES AS WELL AS BY  
THE TRADITIONAL AID DONORS OF THE DEVELOPED WORLD TO PROVIDE  
RELIEF IN THE SHORT-TERM EMERGENCY PERIOD. WE HAVE CONVEYED TO  
THE SECRETARY-GENERAL THIS REACTION OF MY GOVERNMENT IN REGARD TO  
THE EMERGENCY PROGRAM.

MR. CHAIRMAN, THERE IS ANOTHER ELEMENT OF THE SPECIAL PROGRAM  
WHICH WE ARE NOW CONSIDERING-THE SPECIAL FUND. MY GOVERNMENT  
DOES NOT NOW PLAN TO MAKE ANY COMMITMENT TO THE SPECIAL FUND. OUR  
POSITION WAS FULLY SET FORTH BY AMBASSADOR SCALI AT THE END OF THE  
SIXTH SPECIAL SESSION. I NEED NOT THEREFORE REHEARSE IT HERE.  
NEVERTHELESS, WE ARE WILLING TO SEE SOUND TECHNICAL WORK PROCEED  
AND TO CONTRIBUTE TO THESE PROCEEDINGS. OUR CONTRIBUTION TO THE  
PROCESS OF ESTABLISHING A SPECIAL FUND SHOULD NOT HOWEVER BE CON-  
STRUED AS A COMMITMENT TO CONTRIBUTE.

IN THIS PROCESS OF CREATING A NEW SPECIAL FUND WITHIN THE UN.  
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SYSTEM, MY GOVERNMENT WILL SEEK TO GET A BETTER APPRECIATION OF THE  
DEGREE OF PARTICIPATION IN EXTENSION OF EMERGENCY AID BY OTHERS,  
NOTABLY THE MEMBERS OF OPEC. WE SHALL ALSO STUDY WITH GREAT CARE  
THE FORM AND CHANNELS THROUGH WHICH SUCH EMERGENCY ASSISTANCE IS  
RENDERED.

MR. CHAIRMAN, AS I HAVE JUST MENTIONED, MY GOVERNMENT BELIEVES  
THAT ALL VIABLE CHANNELS FOR EMERGENCY ASSISTANCE SHOULD BE UTILIZED.  
THERE IS, THEN, NO JUSTIFICATION FOR NOTIONS OF EXCLUSIVITY OR

MONOPOLY BY ANY INSTITUTION IN RENDERING NEEDED ASSISTANCE. NONE-THELESS, WE STRESS THAT AT A MINIMUM THE CHANNELS OF ASSISTANCE MUST BE VIABLE FROM THE STANDPOINT OF EFFICIENCY, EXPERTISE AND SPEED. ONE SUCH CHANNEL MENTIONED IN THE RESOLUTION ADOPTED BY THE SPECIAL SESSION IS THE CAPITAL DEVELOPMENT FUND. MY DELEGATION WISHES TO ASSOCIATE ITSELF WITH THE VIEWS PREVIOUSLY EXPRESSED BY THE DISTINGUISHED REPRESENTATIVES OF THE SUDAN, BRAZIL, AND JAPAN, THAT THE CAPITAL DEVELOPMENT FUND IS NOT A VIABLE CHANNEL. WHILE IT IS POSSIBLE TO GAIN A FIRST IMPRESSION THAT THE FUND MIGHT BE A USEFUL INSTRUMENTALITY TO MEET THE PATENT EMERGENCY NEEDS, CLOSER EXAMINATION REVEALS THAT IT COULD BE HARDLY CHARACTERIZED AS AN EXISTING, OPERATING UN FUNDING FACILITY. MOREOVER, A CLOSER EXAMINATION OF ITS STRUCTURE CLEARLY REVEALS THAT IT WOULD BE MUCH MORE DIFFICULT TO UNDERTAKE THE EXTENSIVE MODIFICATIONS WHICH WOULD BE REQUIRED THAN IT WOULD BE TO CREATE A NEW FUND. THEREFORE, MY DELEGATION SEES LITTLE UTILITY IN UNDERTAKING WHAT IN A SENSE WOULD BE A DOUBLE TASK-THE CREATION OF BOTH A REFORMED CAPITAL DEVELOPMENT FUND AND A NEW SPECIAL FUND. FOR THESE REASONS MY GOVERNMENT WOULD OPPOSE PROPOSALS THAT THE CAPITAL DEVELOPMENT FUND BE REFORMED INTO AN INSTRUMENTALITY FOR RENDERING EMERGENCY RELIEF, OF THAT THE CAPITAL DEVELOPMENT FUND BE MERGED WITH THE SPECIAL FUND TO BE CREATED BY THIS BODY.

MR. CHAIRMAN. THE DISTINGUISHED REPRESENTATIVE OF IRAN, AMBASSADOR AMOUZEGER, BROUGHT TO THE ATTENTION OF THIS COMMITTEE THAT THE COMMITTEE OF 20 HAD ADOPTED BY CONSENSUS AN INITIATIVE OF THE UNITED STATES WHICH IS HIGHLY RELEVANT TO OUR PRESENT DISCUSSIONS. WE SHOULD HOPE THAT IN CREATING THIS FUND, THIS COMMITTEE WILL ALSO TAKE INTO ACCOUNT THE RESULTS OF THE COMMITTEE OF 20 MEETING JUST CONCLUDED A FEW DAYS AGO IN WASHINGTON.

TO CHARACTERIZE THE DECISION OF THE C-20 DEALING WITH THE FINANCIAL NEEDS OF THE DEVELOPING WORLD AS A RESULT OF "THE US. INITIATIVE" IS, I BELIEVE, TO OVERSTATE THE CASE. IT IS MY UNDERSTANDING THAT THE DEPUTIES OF THE COMMITTEE OF 20 AGREED AT THEIR UNCLASSIFIED

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MARCH 1974 MEETING THAT THE WORK OF THE TECHNICAL GROUP ON THE TRANSFER OF REAL RESOURCES COULD NOT BE COMPLETED BY THE JUNE 1974 DEADLINE SET BY THE COMMITTEE OF 20. THEREFORE APPROPRIATE ARRANGEMENTS WOULD BE MADE FOR CARRYING FORWARD THE STUDY OF THE BROAD QUESTION OF THE TRANSFER OF REAL RESOURCES AFTER THE COMMITTEE OF 20 COMPLETED ITS WORK. THE TECHNICAL GROUP SUBMITTED ITS REPORT

TO THE DEPUTIES OF THE GROUP OF 24 AND THE DEPUTIES AGREED THAT THIS STUDY SHOULD BE ORGANIZED AT THE MINISTERIAL LEVEL AND SHOULD INVOLVE THE FUND AND THE BANK AND PRESENT AN ANNUAL REPORT ON THE NET TRANSFER OF REAL RESOURCES TO THE SEPTEMBER BANK AND FUND MEETING.

THE COMMITTEE OF 20 UNANIMOUSLY RECOMMENDED THE ESTABLISHMENT OF A JOINT MINISTERIAL COMMITTEE OF THE FUND AND WORLD BANK TO CARRY FORWARD THE STUDY OF TRANSFER OF REAL RESOURCES TO DEVELOP-

ING COUNTRIES. DURING THE DISCUSSION AT THE C-20 MEETING, THE UNITED STATES SAID THAT IT FELT THIS NEW GROUP HAD A UNIQUE CONTRIBUTION TO MAKE TO THE SHORTER TERM PROBLEM OF THE HARDEST HIT COUNTRIES AND SUGGESTED THAT THE TERMS OF REFERENCE BE EXPANDED TO EXAMINE THE IMMEDIATE AS WELL AS THE LONGER TERM PROBLEM. THIS WAS UNANIMOUSLY AGREED TO WITH THE CLEAR STATEMENT THAT ANY STUDY MADE SHOULD BEAR IN MIND THE NEED FOR COORDINATION WITH OTHER INTERNATIONAL BODIES.

IN FACT, THE UNITED STATES WOULD NOT ENVISAGE THIS MINISTERIAL COMMITTEE ON THE TRANSFER OF REAL RESOURCES AS BEING COMPETITIVE EITHER WITH THE ON-GOING WORK OF THE AD HOC COMMITTEE, OR FOR THAT MATTER OF THE NORMAL WORK OF THE DEVELOPMENT ASSISTANCE COMMITTEE OF THE ORGANIZATION FOR ECONOMIC COORDINATION AND DEVELOPMENT, BUT RATHER AS COMPLEMENTING THE WORK OF THESE OTHER TWO GROUPS IN A FORUM WHICH MAY INCLUDE DIFFERENT MINISTERIES THAN THOSE REPRESENTED IN THE UNITED NATIONS.

MR. CHAIRMAN, THESE ARE THE VIEWS OF MY GOVERNMENT, IN BROAD OUTLINE, AS TO OUR RESPONSE TO THE CURRENT INTERNATIONAL EMERGENCY--AN EMERGENCY WHICH WE CONTINUE TO VIEW AS PRINCIPALLY THE RESULT OF THE DRAMATIC INCREASE IN PETROLEUM COSTS.

FINALLY, MR. CHAIRMAN, WITH YOUR INDULGENCE, WE SHOULD LIKE AGAIN TO INTERVENE TOMORROW MORNING TO ADDRESS THE ISSUES OF STRUCTURE OF THE SPECIAL FUND AND WHAT WE VIEW AS THE PROPER ROLE OF THIS COMMITTEE.

SCHAUFELER UNQUOTE KISSINGER

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